

## REMARKS

Claims 32-53 were pending in the application prior to this amendment. By this amendment, all previous claims have been cancelled and replaced with new claims 32-57 set forth above. The newly presented claims have been drafted in a manner that Applicants believe avoids the recapture rule, as will be discussed below.

### **I. NEWLY AMENDED CLAIMS**

The claims as now amended are substantially identical to the claims previously submitted, except as will be discussed immediately below. Newly submitted claims 32-57 relate to previous claims 32-53 as follows:

<u>New</u>	<u>Previous</u>
32	32
33	32
34	33
35	n/a
36	34
37	35
38	36
39	37
40	38
41	39
42	40
43	43
44	41
45	42
46	43
47	44
48	45
49	46
50	47
51	48
52	49
53	50
54	51
55	43
56	52
57	53

Independent claims 32, 46 and 52 are similar to previously submitted independent claims 32, 43 and 49, respectively, except that they have been amended to replace the fiber length limitation with "in order for the fibrous material to strengthen the starch-based composition." Support for this limitation is found in the reissue application at col. 72, *ll.* 3-4.<sup>1</sup> Support for new claim 35 is found at col. 44, *ll.* 22-23.

## **II. OBJECTION TO OATH OR DECLARATION**

The Office Action objects to the reissue claims on the grounds that the reissue oath or declaration does not include the consent of the assignee. In addition, the Office Actions takes the position that the proper ownership interest by the assignee has not been established. Finally, the Office Action states that the reissue oath or declaration was signed by applicant's attorney. In response, Applicants note that replacement reissue declarations were filed April 21, 2000 and March 23, 2001, respectively, addressing each of these issues. Nevertheless, in an attempt to comply with the Examiner's wishes, another reissue declaration is enclosed herewith, together with form PTO/SB/96 (the substance of which is entirely duplicative of paragraph 2 of the Reissue Declaration previously submitted and the new declaration submitted concurrently herewith).

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<sup>1</sup> Even though Applicants originally believed that "short fibers" (*e.g.*, "of less than about 0.5 mm in length") would not strengthen the molded compositions, it was subsequently learned that shorter fibers can indeed strengthen the molded compositions. Related U.S. Patent No. 5,683,772, filed a month and a half after the application that issued into U.S. Patent No. 5,662,731, states: It has also been found that shorter fibers (*i.e.*, those having an average length between about 0.3 mm to about 2 mm) can yield an adequate product as long as the aspect ratio and overall fiber length are kept high." Col. 30, *ll.* 5-8.

### III. REJECTION UNDER 35 U.S.C. § 251

#### A. The Office Action is Non-Responsive to the Previous Amendment and Fails to Follow Federal Circuit Guidelines

The Office Action rejects previous reissue claims 32-53 under 35 U.S.C. § 251 on the grounds they constitute “an improper recapture of claimed subject matter deliberately cancelled in the application for the patent upon which the present reissue is based.” Page 3. In particular, the PTO takes the position that removing the minimum fiber length limitation of 2 mm constitutes impermissible recapture since this limitation was relied upon during prosecution when distinguishing over the prior art. This limitation was not added to the claims but was included in the originally filed claims. The PTO takes the absolutist view (*i.e.*, it applies a *per se* rule) that, whenever an applicant argues the importance of a limitation, it *always* results in a surrender, and the recapture rule completely bars an applicant from later broadening that limitation in a reissue application.

In support of its position, the Office Action cites the following passage from *Ball Corp. v. United States*, 221 USPQ 289, 295 (Fed. Cir. 1984): “The recapture rule bars the patentee from acquiring, through reissue, claims that are of the same or broader scope than those claims that were *cancelled from the original application*.” (Emphasis Added.) However, there were no claims of the scope now being presented that were ever “cancelled from the original application.” Accordingly, *Ball*, by itself, without additional judicial gloss, does not support the absolutist position taken by the PTO relative to the claims now at issue. Because of this, previous office actions cited other cases, *e.g.*, *Mentor*, *Clement* and *Hester*, to provide the necessary logical link between merely arguing the importance of a limitation and the recapture doctrine. Of the foregoing cases, only *Hester* is directly on point as a case that deals with “surrender by argument.” All other cases relate to “surrender by amendment.”

In the previous amendment, Applicants provided a detailed analysis of the findings and holding of *Hester*, which expressly provides “an exception to the recapture rule” that applies in the present application:

In the context of a *surrender by way of argument*, this principle, in appropriate cases, may operate to *overcome the recapture rule* when the reissue claims are *materially narrower* in other *overlooked aspects* of the invention. The purpose of this exception to the recapture rule is to allow the patentee to obtain through reissue a scope of protection to which he is *rightfully entitled* for such *overlooked aspects*.

*Hester Industries, Inc. v. Stein, Inc.*, 142 F.3d 1472, 1482-83 (Fed. Cir. 1998) (emphasis added).

Thus, the Federal Circuit clearly understands that no *per se* rule regarding “surrender by way of argument” exists. Otherwise, it would not have referred to an “exception to the recapture rule.”

The previous amendment also provided a detailed analysis of the findings and holding of the recent Federal Circuit decision of *Pannu v. Storz Instruments, Inc.*, 258 F.3d 1366 (Fed. Cir. 2001), including the **three-part test** articulated by the Federal Circuit that must be applied when determining whether the recapture doctrine bars a particular broadening amendment:

Application of the recapture rule is a *three-step process*. The first step is to “determine whether and in what ‘aspect’ the reissue claims are broader than the patent claims.” [Citation omitted.] “The second step is to determine whether the broader aspects of the reissued claim related to surrendered subject matter.” [Citation omitted.] Finally, the court must determine whether the reissued claims were materially narrowed in other respects *to avoid the recapture rule*. [Citation omitted.]

*Id.* at 1371 (citing *Mentor*, *Hester* and *Clement*) (emphasis added). Thus, according to the Federal Circuit, even if the “broader aspects of the reissued claim relate[] to surrendered subject matter” (step 2), such claims “avoid the recapture rule” if “materially narrowed in other respects” (step 3).

In view of the clear holdings by the Federal Circuit in *Hester* and *Pannu*, it is clear that the *per se* rule applied by the PTO that bars the broadening of any limitation that was argued to be important for patentability is contrary to the law as articulated by the Federal Circuit. Rather than providing a responsive reply to the previous amendment that addresses the rules set forth by the

Federal Circuit, **which are binding on the PTO**, the Office Action instead resorts to the Manual of Patent Examination Procedure (“MPEP”). Office Action, pp. 5-7. The Examiner expressly states that she disregarded the three-part test articulated in *Pannu* and applied in *Hester* in the case of “surrender by argument.” *Id.* at 6, ¶ 12. Instead, she applied the two-part test set forth in MPEP § 1412.02. *Id.*

Finally, the previous amendment clearly demonstrated that the claims were “materially narrower in other overlooked aspects of the invention,” which invoked the “exception to the recapture rule” as articulated in *Hester* in the context of “a surrender by way of argument.” Thus, it is improper to focus only on the broadening aspect of the claim without also considering the narrowing aspect. Because the reissue claims are materially narrower in other respects compared to the issued claims, they no longer result in the recapture of surrendered subject matter. Recapture of surrendered subject matter only occurs whenever the claims are not “materially narrower in other overlooked aspects of the invention.” *Hester*, 142 F.3d at 1482-83. Rather than performing the analysis required by the Federal Circuit in *Hester*, the PTO once again applied a *per se* rule that a claim can never be broadened with respect to a limitation that was argued during prosecution. The PTO has, therefore, failed to perform its duty as mandated by the Federal Circuit. Instead, the Examiner once again invoked MPEP § 1412.02 as constituting a higher authority than the Federal Circuit.

**B. Federal Circuit Decisions Govern the PTO and the MPEP, by its own Terms, “does not have the force of law”.**

The Office Action refuses to follow Federal Circuit guidelines. Instead, it opts to follow the MPEP, which, by its own terms, is merely “a *reference work* on the practices and procedures relative to the prosecution of patent applications before the U.S. Patent and Trademark Office.” Forward to

the MPEP (emphasis added.) “The Manual *does not have the force of law* or the force of the rules in Title 37 of the Code of Federal Regulations.” *Id.* (emphasis added.) “Examiners *will be governed* by the applicable statutes, rules, decisions, and orders. . . .” *Id.* (emphasis added.) Certainly, the “applicable decisions” that govern the PTO include the decisions of the Federal Circuit.

As between the general guidelines promulgated by the PTO and the decisions articulated by the Federal Circuit, the Federal Circuit decisions supersede and are binding on the PTO. *Rowe v. Dror*, 112 F.3d 473, 479 n.2, 42 USPQ2d 1550 (Fed. Cir. 1997) (“This court does not accept the PTO’s statement that it can ‘administratively set aside [a] judicially created rule’”). “Judicial precedent is as binding on administrative agencies as are statutes.” *Id.*

Accordingly, the PTO does not have the authority to disregard the three-part recapture rule test articulated by the Federal Circuit in *Pannu* and substitute it with the two-part test set forth in the MPEP. It is clear that the two-part test set forth in the MPEP completely ignores the third part, which is directed to the “exception to the recapture rule.” Accordingly, this portion of the MPEP is void because it directly contradicts the three-part standard of the Federal Circuit, including the “exception to the recapture rule” in the case where the claims are “material narrower in other overlooked aspects of the invention.” *Hester, supra*.

Accordingly, in order for the PTO to provide a responsive answer to the present amendment, it must show that it is authorized to disregard the three-part test of *Pannu* and the “exception to the recapture rule” that applies “[i]n the context of a surrender by way of argument” according to *Hester*. At the very least, the PTO should honestly and openly admit on the record that the MPEP guidelines directly contradict the Federal Circuit decisions governing the recapture rule, particular with respect to the three-part test articulated in *Pannu* and the “exception to the recapture rule” that applies “[i]n the context of a surrender by way of argument.” Doing so would clarify the issues that

will be presented on appeal in the event the PTO continues to flaunt Federal Circuit precedent and to opt to follow the MPEP, which, by its own terms, "does not have the force of law."

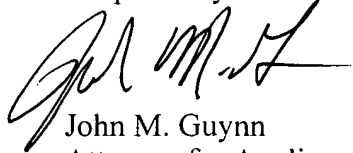
C. Applicants Incorporate by Reference the Arguments set forth in the Previous Amendment

Because the Office Action has not provided a responsive reply to the arguments set forth by Applicants in the previous amendment, Applicants incorporate such arguments by reference and invite the Examiner to respond to the rules articulated by the Federal Circuit. When preparing this response, the Examiner should keep in mind three important points: (1) the MPEP "does not have the force of law"; (2) "Judicial precedent is as binding on administrative agencies as are statutes"; and (3) the PTO may not "administratively set aside [a] judicially created rule."

In view of the foregoing, the reissue claims are clearly appropriate for reissue in view of the applicable Federal Circuit decisions and do not constitute inappropriate recapture of cancelled or surrendered subject matter. In the event that the Examiner finds any remaining impediment to the prompt allowance of this application, which could be clarified by a telephonic interview, or which is susceptible to being overcome by means of an Examiner's Amendment, the Examiner is respectfully requested to initiate the same with the undersigned attorney.

Dated this 12<sup>th</sup> day of December 2001.

Respectfully submitted,



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